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THE SILVER QUESTION.

I.—GERMANY'S ATTITUDE AS TO A BI-METALLIC UNION.

BY COUNT VON MIRBACH, MEMBER OF THE PRUSSIAN HOUSE
OF LORDS AND OF THE GERMAN REICHSTAG.

ON February 15 last the Reichstag began a discussion of the currency question, pursuant to the following demand submitted by Dr. Friedberg, Von Kasdorff, Dr. Lieber, and myself :

“The Reichstag is asked to request the confederated governments to issue invitations as soon as possible for a monetary conference, looking toward the international regulation of the currency question.” This demand was signed by 211 members ; that is, a majority of the German Reichstag. At the very outset of the speech with which I introduced the motion I stated that “the only way in which an international union can be thought of is on the basis of a fixed relation between gold and silver, established by an international treaty.”

The Chancellor, Prince Hohenlohe, made the following declaration at the same session :

“It must be conceded, without prejudice to our national currency, that the growing disparity of value between the two coin-metals is producing a detrimental reaction upon our industrial life. I am therefore inclined, in the further pursuit of the endeavors which have resulted in the convoking of the Silver Commission, to consider with the confederated governments whether other states which are essentially concerned in the enhancement of the value of silver, cannot be brought into a friendly exchange of views on mutually protective measures.”

At the second session of the Reichstag on February 16, Count Posadowsky, Secretary of the Treasury, said :

“Just view, I pray you, the present situation of the coin and standard questions! At the conference convened by the former Chancellor, even the monometallists acknowledged that the depreciation of silver entailed serious damage to our industrial life. It is indubitable that the lessened value of

silver has also exercised a disadvantageous influence upon our internal manufactures and exports.

"In opposition to this statement it is urged that our export to silver countries is a minimum one, and can therefore cut no great figure in comparison with the aggregate economic interests of the nation. In this limited sense the claim is only partially true, for there is no doubt that, on account of the depreciation of silver, English production and export also suffer materially in the intercourse with silver countries. But the resultant stagnation to English manufactures on the one hand, and to English exports on the other, produces a latent reaction also upon German manufactures and exports to silver countries—a factor which must not be disregarded.

"It is, moreover, certain that our native mining interests are suffering most grievously from the depreciated value of silver. Attach whatever importance you wish to these interests, it is well enough known that they constitute an old, traditional industry which gives occupation to many working people, that a transposition of the industry is, in its nature, impossible, and that the very existence of a great many working people is jeopardized by the decline of our mining prosperity.

"And there is a third consideration which is recognized by monometallists. It can not be doubted that there is something essentially wrong in the considerable under-valuation of the current silver coin. We have been able so far to ascertain only one instance in foreign countries of a genuine counterfeiting of foreign coins, but I think it cannot be controverted that a similar possibility and danger in reference to our coins must threaten us so long as a thaler has only the value of 1.40 marks.

"The question is a far-reaching one, from the solution of which a great part of the agricultural population of Germany promises itself a benefit, and in view of the representation which this question has found among the overwhelming majority of the Reichstag, it was the duty of the Chancellor to concede a serious, well-meaning investigation of the matter."

The Prussian Council of State to which Bank Director Russel and I referred, occupied itself under the chairmanship of his Majesty, the Emperor, for two days, March 14 and 15, with the question of a standard, and resolved as follows :

"According to the statement of the Chancellor during the session of the Reichstag, February 15 last, an exchange of views of the confederated governments with other states has been proposed concerning common measures for obviating the detrimental reaction recognized to have resulted to industrial life from the increasing disparity between the values of gold and silver. In reference to this statement, of which the Council of State has taken note with pleasure, the same believes that no further measures should be taken at the present time, and that the result of the steps already taken should be awaited."

The enemies of bi-metallism moved to incorporate in the first part of the Council's resolution the terms, "without prejudice to the existing standard," but this was declined. This resolution therefore advances one step beyond the declaration made by the Chancellor in the Reichstag.

And thus matters stand officially in Germany. It cannot, of course, be known what steps the Chancellor has so far taken to bring about an understanding with the other great powers.

The controlling consideration lies in the action of England. The decision of leading German statesmen depends first of all upon England's attaching herself to a bi-metallistic union. In German bi-metallistic circles the opinion prevails that if Germany really intends to solve the question of a standard and abolish agricultural and industrial penury, the following steps will forthwith have to be taken. First of all, there should be a preliminary conference or diplomatic understanding with France and the United States of North America, in order to settle upon some programme, on the lines of which an international conference could be convoked. The treaty concerning which the governments of the United States and France came to an agreement before the monetary conference at Paris in 1881, might serve as the basis for the preliminary conference. Then the question of the future relation between gold and silver, not being one of principle, would have to be treated as an open one.

The peculiar office of a preliminary conference or other exchange of views would be to consider measures that might seem sufficient to hasten England's entrance into a union.

If England joins an international bi-metallistic union, the solution of this problem cannot be difficult. In that event the relation, 1 : 15½, would also be soon attained, and maintained without the least disturbance.

But even without England's co-operation, the accomplishing of an international bi-metallism is possible, perhaps in a somewhat tardier manner. If Germany, France, and the United States acted together, these states would be in a position to solve this seemingly difficult problem; and powerful enough, too, to maintain the fixed relation between gold and silver. The exclusion of England would redound altogether to the advantage of the commercial relations and industrial exports of these three great powers; indeed, their advantage in these respects would be greater in that case than if England belonged to the union.

However, it is wholly useless at present to go into this question of "with or without England," inasmuch as the circles in Germany with whom the power of ultimate decision rests would

under no circumstances declare for a bi-metallistic union without England.

The economic condition of Germany calls loudly for a solution of the silver question; and this surely can be made possible only through an international bi-metallism. I shall not dwell upon our financial conditions, which are in reality much more unfavorable than they are officially represented to be. The economic necessity of a solution of the financial question here is grounded upon the agricultural situation, irrespective of the equal interests of our industries and trades. The lately established commercial-treaty policy has modified the agricultural taxes, while, at the same time, the prices of agricultural products have assumed, in the markets of the world, a sharp and presumably lasting tendency downwards. *The cost of the production of grain has for a considerable time been greater than its value in the market.* German agriculture, shaken as it is economically, can stand such a state of affairs only a short time longer. The possibility of bringing about a general economic revival lies essentially in the solution of the currency question by means of the international double-standard. However, our leading circles here have lacked, with few exceptions, a full understanding of the meaning and importance of the currency question as well as of the economic results of a gold-standard; and, above all, a sufficient recognition of the plight of our agriculture and the still greater dangers with which the near future menaces it.

A year ago I wrote as follows to one of your countrymen :

"It will scarcely be conceivable to you how that is possible in a country where agriculture plays so important a part. Prussia is the preponderating country in the German economic policy. And all the traditions of Prussia go to establish agriculture as something necessary, it is true, and scarcely dispensable, yet, within certain limits, a *quantité négligeable*. This is the leading conception among great masses of our officials. We have had only two periods during which the interests of agriculture enjoyed conspicuous consideration. One was during the reign of Frederick the Great after his wars, and the other under the aegis of Prince Bismarck, the period from 1879 to 1890. But even during the latter period the agrarian question did not receive any systematic treatment, and was only handled fragmentarily and mainly in the domain of the protective tariff. As matters stand here now our officials are, with few exceptions, at bottom, rather inimical than friendly towards agriculture. All circles, even the highest, are affected painfully by the present independent organizing of agriculture, and the prompt and decisive manner with which it looks after its own interests. There has always existed in the residence city a ring, in close touch, no doubt, with the 'High Finance,' which has systematically concealed from the view of

the most authoritative circles all influences that could lead them to a clear perception of existing conditions. Things were different only during the time from 1879 to 1890, thanks to the influence of Prince Bismarck, but even then not sufficiently so. The portrayal of these conditions is necessary for an appreciation of the course of things with us in Germany, and of the difficulties which beset the solution of the currency question in reference to an initiative by Germany. Many things would be different here, if those in high places possessed a full understanding of the economic condition of agriculture and of the consequences of the currency question in that domain."

One thing that I wrote of a year ago, has changed in a most agreeable fashion. The initiative of His Majesty, the Emperor, makes it unmistakable that he, together with the highest officials, is willing to personally investigate the agricultural conditions thoroughly and seriously; nor does he hesitate to listen to and embrace the views of those who are pronouncedly in favor of agriculture, and who express themselves accordingly. That will be important in solving this question, too. Of course, the influence of the press and of the great banks in Berlin is potent and should not be underrated. The saying of a prominent stock broker here has gained currency: "In this matter we govern. There can be no solution of it until we give our consent."

Although we must not undervalue the power of these circles, we still have a government in Germany which, if it seriously wants to do so, can accomplish anything that it may deem proper; and it will not be able to evade the decision, just as soon as England is ready to strike out in the common path.

One word in conclusion, concerning the United States of North America. In the Reichstag on February 15 last, I said:

"If there is destined to be no bi-metallism, we should wish the American conditions to remain as they are; although, in my opinion, they are untenable for America for any length of time. The golden treasure of America has dwindled, has sunk in such a way that it can no longer provide in gold for covering its currency. Every moment the gold reserves drop to the lowest ebb, and the Secretary of the Treasury is driven to have recourse to petty loans, which are, no doubt, pleasant enough to the gentlemen who furnish him with the loans, for I somehow imagine that those who supply the money, quickly recover it and then renew the game. I doubt whether it will be very different with the \$65,000,000. That is a sum which is wholly inadequate for America. Should there be no Currency Union, one of two things will happen. Either America will address herself in all earnestness to the establishment of a currency and seek a loan of \$500,000,000 in gold, in the European market,—but what of our gold reserves then; and what of the English Bank and of all the rest?—this alone shows how insufficient gold is, just as soon as America goes earnestly to work. Or,—and this might prove even more calamitous to us—America will renounce the coining of gold altogether and

go over to the coining of silver. Then we would be confronted with differences in value, which would threaten us much more seriously than the present conditions. Then there would really remain no other course than to close ourselves up hermetically against America, and afford America an opportunity to absorb the whole commerce with Asia by virtue of the parity of its silver currency to that of Asia. I believe that just because things are as they are in America, we should heed the warning, and not wait with our hands in our lap; we should take hold of those things before it is too late."

America could actually absorb the European gold reserves and hold them fast and thus force a decision of the currency question. But that is an event too remote to be anticipated.

Stupidity and ignorance are the best allies of gold currency in Germany, without taking into account the personal interests of a great many influential circles. The most incredible things are invented, spread abroad and made use of. North America in particular is exploited. North American silver mines, it is said, are inexhaustible—although the reverse is true, for it is well known that the richest North American mines are exhausted. German bi-metallists, it is asserted, conduct, without knowing it, the business affairs of American mine owners, and the like. They either overlook or else do not wish to see that America produces more gold than silver. And above all they forget that *there is not a single branch of agricultural production in North America which is not more important and more valuable than all its silver output combined*. It would contribute materially towards the clearing up of views here if American political economists would frequently publish comprehensive tables showing a comparison of the values of North American products.

COUNT VON MIRBACH.

II.—THE SILVER STANDARD IN MEXICO.

BY THE MEXICAN MINISTER.

I MUST begin by disclaiming any purpose of commenting in any manner, even by implication, on the monetary question in the United States, or any attempt to draw a comparison between Mexico and the United States, as it would be neither desirable nor proper for me to do so. This country is so far ahead of Mexico in material progress, commerce, manufactures, agriculture, wages, popular education, wealth, banking and banking

facilities, and so many other things, that such a comparison would be unfair, although in some regards Mexico has not suffered as much as this country during the present financial crisis. I shall, therefore, confine myself to stating the advantages and disadvantages produced in Mexico by the silver standard prevailing there, so that every reader of the *NORTH AMERICAN REVIEW* can draw his own conclusions.

The silver standard prevailing in Mexico was not accepted by choice. Mexico being the largest silver-producing country, two-thirds of the whole silver stock of the world having come out of its mines, silver has been our only currency for nearly 400 years. To change it for the gold standard would have caused general ruin, as we do not yet produce gold enough to base our currency on that metal, and as our exports are not yet sufficiently large to allow us to buy all the gold we need for that purpose. The high price of gold is a great incentive to gold mining, and if gold continues at the present high rate for some time, I am sure Mexico will before long be a large producer of that metal. We never had any paper currency, either national, State, or issued by banks. Two or three banks, indeed, have now issued notes, but they are not legal tender. They are convertible into silver coin at the holder's pleasure, and while they circulate freely in the large cities and for convenience' sake are preferred to the hard dollar, they are almost unknown in the small towns and in the country. The bank issues special notes for each place, which are redeemable only in that place, thus keeping up in effect the old system of charging a high premium for the exchange of money from one place to another, the item of profit to the banks corresponding with what used to be the charge for transporting silver money.

The advantages to Mexico of the silver basis are the following.

1st. The silver standard and currency encourages very materially, while other leading commercial nations have the single gold standard, the increase of exports of domestic products, because the expenses of producing them, wages, rents, taxes, etc., are paid for in silver, and therefore their cost as compared with their market value, is considerably less than that of similar articles produced or raised in single gold standard countries. When sold in gold markets, therefore, they bring very lucrative prices, as they are converted into silver, at a high rate of exchange. These conditions have caused a great development in the exportation of

some of our agricultural products, because they yield very large profit; for instance, coffee, which costs to produce it, all expenses included, on the average, not over ten cents a pound, is sold at about twenty cents in gold, in foreign markets. The exportation of other agricultural products which did not pay when gold and silver were at par, that is at the ratio of one to sixteen, is now remunerative, because there is returned to us in exchange more than we lose in the gold price of the article. Such is the case, for instance, with beans which at eight cents would not pay when silver and gold were at par, but now eight cents in gold make nearly sixteen cents in silver, and that is a lucrative price. Our exports for several years up to 1869 were about \$20,000,000 a year; in the year 1872-1873, they amounted to \$31,594,005.14; in 1888-1889 they swelled to \$60,158,423.02; in 1891-1892 to \$75,467,714.95, and in 1892-1893 to \$87,509,207.

2d. The silver standard is a great stimulus in developing home manufactures, because foreign commodities have to be paid in gold, and, owing to the high rate of exchange, their price becomes so high that it pays well to manufacture some of them at home, our low wages also helping to bring about these results.

For these reasons we are increasing considerably our manufacturing plants, especially our cotton mills, smelters, etc., and we begin now to manufacture several articles that we used to buy from foreign countries, and all this, notwithstanding that the mountainous character of our country, the want of interior navigable water courses, and the scarcity of fuel, makes manufacturing very expensive in Mexico. But we are finding abundant coal deposits and, when our railroads tap our coal fields, that objection will be considerably diminished. One of our railroads, the "International," built by Mr. C. P. Huntington and his associates, has already reached a very large coalfield near Piedras Negras, which is already supplying some of our wants, and even those of some sections of the Southern Pacific system of this country, but of course it cannot supply the whole of Mexico. When that need is satisfied we will have to contend only with the increased expenses of transporting the raw material to the factories and the manufactured goods to the place of consumption, over a mountainous country with high grades and many sharp curves, unless some new means of transportation may be hereafter devised which will overcome those obstacles. Eventually

Mexico will utilize for manufacturing the many streams, almost torrents, coming down from the steep mountains which constitute a very large water power.

As it is now, some manufacturing plants of the United States are being taken to Mexico, as appears from the following extract of the annual report of Mr. W. G. Raoul, President of the Mexican National Railroad Company, for the year 1894 which has just come out.

"The most extensive and best equipped shops owned by the company are on the north side of the Rio Grande, in the United States, but the greater expense of operating them has caused the withdrawal of much of the work from them to the shops in Mexico. Our shops in Mexico are not adequate for the entire work of the road, and the removal of the Texas plant into Mexico becomes an economic necessity, if the peculiar trade and the industrial conditions now existing respectively in the two countries are to continue."

A like result has been obtained in other countries which are on a silver basis, such as Japan, China and India, the depreciation of silver or the high rates of exchange having forced those countries to manufacture staple goods for home consumption and in some cases even for export, and this fact begins to be sorely felt in England and other old manufacturing countries.*

3d. While the fall of silver and free coinage in Mexico have not given to the Mexican silver coins, when converted into foreign exchange or sold for gold, any value other than that of the silver bullion contained in the same, nevertheless, the purchasing power of the silver dollar is now, on the whole, as great in Mexico as it ever was.

It is rather puzzling and bewildering to some travellers who go from this country to Mexico to see that a United States silver dollar containing less silver bullion than a Mexican silver dollar was exchanged there for two Mexican silver dollars, when pure

*The following remarks contained in a paper read at a recent session of the Royal Colonial Institute in London, by the Hon. T. H. Whitehead of Hong Kong, China, which deals with the effects of the depreciation in the value of silver on the trade of Great Britain with the Orient, confirms my statement about the great stimulus that the low price of silver is to manufacturing in silver countries.

"In Oriental countries we are witnessing remarkable industrial progress and unequalled prosperity among their people, when simultaneously serious losses are attending similar industries in England; while under the present system it is highly probable that there will be a further fall in the present very low level of gold prices, which will still more prejudice the position of the British manufactures. What is also of unquestionable great concern in the Empire is that it may lead to the transference of a large part of our principal industries to silver-using countries. So long as the gold value of silver continues to be as it is now, liable to violent fluctuations, the more perilous must become the conditions of the principal British industries, and the more possible must it be to prevent disaster from overtaking them. British labor and gold capital can no longer compete on equal terms with Asiatic labor and silver capital, and the position of British industries is growing more critical every day."

silver was at about fifty-nine cents an ounce; but in such an exchange the Mexican silver dollar is sold for the price of the bullion it contains, while the United States silver dollar is the representative of a gold dollar, and is therefore merchandize bought to pay debts in the United States or Europe.

4th. The fact that foreign commodities have to be paid for in gold, makes them so high that it operates as a protective duty against them. By protectionists this would be counted as a very important advantage, although I myself do not attach very great importance to it in that sense, as I believe in low duties, except in special cases.

5th. The fact that every gold dollar is converted into two silver dollars, when sent to Mexico, encourages the investment in Mexico of foreign capital from the rich countries, which have the gold standard. When that capital is invested in producing commodities sold in gold markets, like coffee, for instance, the profits to investors are very large indeed.

6th. There is another very great advantage that Mexico has derived from the silver standard, although that may be peculiar to us. Before our railroads were built the only articles which we could export were silver and gold dollars—coining being then made compulsory by law—because no other product could pay the very high expense of transportation. The result was that to pay for our imports we had to export almost all of our annual output of silver, so that very little was left for our home circulation. Thus we were almost constantly suffering from a contraction of currency; money became very high, and the price of labor was very low. But now the conditions are reversed. The low price of silver abroad makes it unprofitable to export it, and its value at home makes it useful in all industries, and we send out our agricultural products to pay for our imports and for our gold obligations, keeping at home our silver and thus increasing our circulation, so that we now have an ample supply of money in our banks. That fact, of course, stimulates industry, maintains the prices and increases the demand for labor.

7th. Most of our millionaires and many other Mexicans having large fixed incomes preferred to live in Europe, and used to spend their money there, but the higher rate of exchange has reduced their incomes so materially that a great many of them have returned home, and now spend their incomes in Mexico.

The disadvantages brought to Mexico by the silver standard are the following.

1st. Importations are considerably reduced, because foreign commodities almost duplicate their price when sold for silver, and they are therefore beyond the reach of the middle classes.

2d. The constant fluctuation in the market price of silver contributes still more than the low price of that metal to reduce Mexican importations of foreign commodities, because it makes uncertain the value of these commodities when the time for payment arrives.

3d. The reduction of imports alluded to diminishes in proportion the import duties, which, until very recently, were in Mexico the largest source of the federal revenue.

4th. The national expenses are considerably increased by the payment in gold of the interest of the national debt held abroad, and other expenses of minor account, such as salaries of diplomatic and consular officials. As we have to buy exchange to pay that interest it is at the present rate actually increased from 6 per cent. to 12 per cent., when paid in gold. But we can now purchase exchange from our own people, drawn against their own agricultural exports, and they make some of the profit.

It would seem easy for Mexico to overcome these difficulties by decreeing the payment in gold of the whole or of a portion of its import duties ; but such a scheme would establish two different kinds of currency in Mexico, and gold being more valuable would tend to depreciate our silver currency with disadvantage to all interests in the country. There is another serious objection to that plan ; our import duties are already so high that they do not admit of any further increase. If we collected them in gold, we would have to reduce them to about fifty per cent. of the present rates, now payable in silver, and then we would have gained nothing while we would have increased the drawbacks of the fluctuations in the price of silver bullion ; while if we left the import duties at or about their present rates, and made them payable in gold, we would practically duplicate them and they would become so burdensome as to afford great encouragement to smuggling, and so reduce very considerably their proceeds.

5th. To meet the reduction on the import duties and the increased expenses of the gold obligations, it is indispensable to increase the burdens of direct taxation to make up for both losses.

6th. Our railroads are similarly affected. They collect their freights in silver, but pay in gold the interest on their securities, and for foreign articles needed for their roads.

7th. The transportation of foreign commodities by railroads is much reduced, but the local traffic has increased in a way not only to compensate that loss but to leave a large surplus.

8th. While the price of the necessities of life for the poor classes who do not consume foreign commodities, has not increased, unless in a small number of home products whose price is fixed by foreign gold markets, the living expenses of the middle and rich classes who use foreign commodities have been increased.

There are several other results produced in Mexico through our having a silver standard; but I have mentioned the most notable and important ones, and most of the others omitted by me are the results of those already pointed out.

In consequence of all these causes, we have fewer business failures than other countries; our internal traffic has greatly increased with much benefit to our railroads, which, with only one exception, have not gone into the hands of receivers.*

We do not suffer in Mexico from one of the principal causes of the present financial distress in other countries,—the low price of agricultural products. In fact, in some cases the price of domestic commodities has gone up considerably, when it is fixed by the value of the commodity in gold markets. This is the case

* The condition of our railroads appears very clearly from the following extract of Mr. Raoul's report to which I have already alluded:

"A comparison of the traffic with last year shows that with the exception of passengers, a loss has been suffered only on those classes that are affected by the condition of the exchange market between Mexico and gold standard countries. The local traffic, which fairly is a register of the internal trade, has made satisfactory progress—sufficient to offset the losses on the external traffic, and yield the increase shown in the general result."

The Mexican Northern Railroad paid for the year ending June 30, 1893, four quarterly dividends of 1½ per cent. each, and one extra dividend of 2 per cent., amounting altogether to \$240,000.

The annual report of the Mexican International Railway Company, for the year ending December 31, 1894, presented by its President, Mr. C. P. Huntington, and dated at New York City on March 6, 1895, is not less satisfactory.

"The net results from the year's operations," says Mr. Huntington, "show an increase in the gross earnings of \$118,187.46, or 5.76 per cent., and a decrease in operating expenses of \$19,678.50, or 1.50 per cent., making a total gain of \$137,765.96, or 18.38 per cent., over 1893. This is quite a gratifying showing, when it is considered that the general business depression in the United States, and the low price of silver have not been without their unfavorable effect upon the year's business."

The report of the Mexican Central Railway Company, Limited, for the year ending December 31, 1894, shows that the gross earnings were \$8,426,025.28, and the operating expenses \$5,459,675.13, leaving an increase of \$120,762.51 in the net earnings in that year over those in the previous one. The local freight earnings in 1893 amounted to \$3,888,952.98, an increase of \$616,377.78, or, 18.83 per cent. over 1892. In 1894 they amounted to \$4,697,433.53, an increase over 1893 of \$308,430.55, or 20.79 per cent., an increase in the two years of \$1,424,858.33, or 43.54 per cent.

The banks, too, yield good dividends. From the report of the Bank of London and Mexico for 1894, it appears that the dividend in that year was of 10 per cent., and that it is expected to pay in the present year a dividend of 15 per cent.

with coffee, for instance. As the largest portion of our crop is exported and commands cash, its price is fixed by its value in gold markets, and in consequence of this its price in Mexico has been almost duplicated with great advantage to the producers.

We have more stability of prices, wages, rents, etc. Although our wages are low, there has been in recent years a marked tendency to their increase. Our factories are not only in operation, but they are being greatly extended, and new plants and industries are being established. Instead of dismissing our laborers, we find occupation for them all, and we need to import them for the work to be done in some localities, and, as our laborers find occupation and increased wages, we have no strikes. Our silver mines have not stopped work, and we find them yet quite profitable. We have more ready money with which to transact our increased business ; we offer greater inducements to foreign investors than formerly ; and the country is undoubtedly more prosperous than it has ever been, although the silver standard is not the only cause of our prosperity. One of its principal causes is, undoubtedly, the building of railroads, but they could not have been so remunerative without the production and coinage of silver.

Summing up the effects produced in Mexico by the silver standard, I can say, with perfect correctness, that while it is a drawback and an inconvenience to have our currency depreciated when we have to use it abroad, either to pay for foreign merchandise or for the interest of our gold obligations, and while that depreciation increases our burdens to some extent, because our gold obligations and the price of foreign commodities are nearly duplicated, the advantages we derive from the use of silver money in all our transactions are so great, that I think they fully compensate if they do not overcome its disadvantages. Notwithstanding all this we would like to see silver commanding the same price as before it was demonetized in 1873, and we think that the world has to come back sooner or later to bimetallism, as the only way to have a common and more stable level of values and to avoid most of the financial trouble which the commercial nations of the world are now so keenly suffering.

M. ROMERO.